

October 19, 2015

Via Electronic Submission

California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: Comments of Kimberly-Clark on Potential Amendments to the Cap and Trade Program Concerning the Tissue Benchmark

Dear Air Resources Board Staff:

At its October 2, 2015 workshop, California Air Resources Board (“ARB”) Staff indicated that ARB is currently considering proposing changes to the Cap-and-Trade Program (the “Program”) and identified a number of aspects of both the Cap-and-Trade Regulation (the “CTR”) and the Mandatory Reporting Rule (the “MRR”) that it was considering amending. ARB staff solicited input from stakeholders regarding the possibility of amendments to these regulations. I write pursuant to this request on behalf of Kimberly-Clark (“K-C”) to provide recommendations to Staff for potential changes to the Program.

We were disappointed to note that neither in ARB’s Notice for the October 2 workshop nor in its presentations at the workshop was there any mention of addressing the Program’s Product-Based Emissions Efficiency Benchmarks that are set forth in CTR Section 95891, Table 9-1. K-C asks that ARB consider changes to the product benchmark for tissue products set forth in Table 9-1 in the row entitled “Paper (except Newsprint) Mills,” NAICS Code 322121, and in particular the sub-row for “Bathroom Tissue Manufacturing” that was adopted by ARB on April 25, 2014 (referred to herein as the “Tissue Benchmark”). K-C believes that this issue is worthy of a public workshop wherein all stakeholders can provide input on the current Tissue Benchmark.

As you know, K-C has repeatedly submitted comments to ARB explaining that the current version of the Tissue Benchmark, which is adjusted for “water absorbency,” is not supported by science or data, and does not accurately account for the greenhouse gas intensity of bath tissue manufacturing. K-C submitted two letters to ARB addressing the flaws in what at the time was ARB’s proposal to amend the Tissue Benchmark to adjust for water absorbency. *See* Sept. 12, 2013 Letter from Dell Majure, Kimberly-Clark, to ARB; April 4, 2014 Letter from Dell Majure, Kimberly-Clark, to ARB. At the April 25, 2014 rulemaking meeting, the Board adopted ARB’s proposal for an absorbency-adjusted Tissue Benchmark, but directed ARB staff to engage with K-C to address K-C’s concerns. Since that time, K-C has endeavored to engage with ARB Staff on this issue and has repeatedly demonstrated that water absorbency is not a scientifically valid method of accurately accounting for the greenhouse gas emissions associated with the manufacture of bath tissue. As currently drafted, the Tissue Benchmark actually encourages

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more GHG-intensive tissue manufacturing processes, and is at odds with both the requirements and purposes of AB 32.

Given K-C's active engagement with ARB on this issue for more than two years, it is appropriate for ARB to prioritize this process. K-C requests that ARB publicly announce that it will be conducting a workshop to gather stakeholder input regarding the Tissue Benchmark (and likely other benchmarks as well). Based on the tentative Cap-and-Trade Workshop Schedule set forth on Slide 12 of ARB's presentation at the October 2 workshop, the currently planned workshop on the somewhat related issue of "Leakage study results" set for January 2016 may be a good time to take up this important issue. In light of this, K-C specifically requests that ARB announce a workshop regarding potential amendments to the Tissue Benchmark by November 13, 2015, and hold such a workshop by the close of January 2016.

Sincerely,



Dell Majure, P.E.
Air and Climate Programs Leader